whose real objective obviously is tax planning rather than genuine business?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) 3941 companies were registered during the year 1985-86 under the activity classification Commerce (Trade & Finance) as against 3905 such companies registered during the year 1984-85.

(b) According to the information furnished by the Stock Exchange, Bombay, which accounts for about 66 per cent of the total paid-up equity capital of all the listed companies in the country, shares of 34 investment and finance, leasing and trading companies were quoted below par during the period January-June, 1986 out of a total of 84 such companies listed on that Exchange during the said period. The number of investment and finance, leasing and trading companies that got listed on the Bombay Stock Exchange during January-June, 1986 was 84, as against 69 during the corresponding period in the previous year.

(c) To examine the question of measures necessary to ensure that non-banking financial companies undertook their operations without jeopardising the interests of the depositors, a Study Group was set up by the R.B.I. some years ago. The Study Group had examined the adequacy of the provisions contained in the RBI Act on regulating the operations of the non-banking companies and made recommendations, *inter alia*, to improve the regulatory and supervisory mechanism for the non-banking financial companies.

(d) The Supreme Court in the case of McDowell and Co. Vs. CIT (164 ITR 148) in its judgement dated April, 17, 1985 has ruled that where the object of any arrangement is only to reduce tax liability, such tax avoidance is not legal and will not be recognised for purposes of tax. Every case of tax planning, which is covered by the ratio of the Supreme Court decision, is subjected to scrutiny and appropriate action under direct taxes acts is taken.

Reduction in the Number of Days for Allowing Rebates on Handlooms

1878. SHRI ALADI ARUNA *alias* V. ARUNACHALAM: Will the Minister of TEXTILES be pleased to state:

(a) what are the reasons for reducing the number of days for allowing rebates on handloom products from 60 days to 30 days; and

(b) whether Government had received appeals from the States for the restoration of rebate days to 60?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHED ALAM KHAN): (a) From the inception of the 20 per cent rebate scheme in 1975-76 it provided for 30 days general rebate on retail sales in a year plus rebate during National Handloom Expos approved or organised by the Office of the Development Commissioner for Handlooms. It was only in 1983-84 and 1984-85 that the period was increased to 60 days while withdrawing the rebate for National Handloom Expos. The Government reverted back to the original scheme in 1986-87 because it was found to be more equitable to different types of handloom marketing organisations in various States.

(b) Yes, Sir. A few State Governments like Tamil Nadu and Uttar Pradesh have made a request for increasing the rebate period to sixty days.

Deficit in Central Budget

1879. SHRIMATI KANAK MUKHERJEE: Will the Minister of FINANCE be pleased to state:

(a) what is the Central budget deficit for the year 1985-86, budget estimate, revised estimate and actual;

(b) what is the budget deficit (budget estimate) for the year 1986-87;

(c) whether it is a fact that deficit is on the increase; and

(d) if so, what is the exact current position?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): (a) The deficit envisaged in the Budget for 1985-86 amounted to Rs. 3316 crores while in the Revised estimate it was Rs. 4490 crores. The actual deficit for that year will be known only after the Accounts for 1985-86 are closed.

(b) to (d) Budget for 1986-87 envisages a year end deficit of Rs. 3703 crores. As there is no synchronisation between the flow of Government receipts and expenditure, deficit at any particular point during the course of the year is not an indicator of the year end deficit. The likely deficit for the current year will as usual be presented to Parliament along with the Budget estimates for 1987-88.

CONCESSIONS GIVEN TO THE PRIVATE SECTOR

1880. SHRIMATI KANAK MUKHERJEE: Will the Minister of FINANCE be pleased to state:

(a) what is the total concession in rupees, given to private sector to date since the presentation of the Central Budget, 1985-86 to boost industrial production and export; and

(b) what are the particulars of the concessions given on each occasion?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) and (b) Information to the extent possible is being collected and will be lain on the Table of the House.

Opening of Embassy in Bhutan by China

1881. SHRI PRABHAKAR RAO KALVALA: Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether Government are aware that China is proposing to open its Embassy in Bhutan; and

(b) if so, what is Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI K. R. NARAYANAN): (a) and (b) Government are not aware of any proposal by China to open an Embassy in Bhutan.

Exploitation of Tamil Repatriates in Kodal Hills, Tamil Nadu

1882. SHRI M. S. GURUPADASWAMY: Will the Minister of LABOUR be pleased to state:

(a) whether it is a fact that Bandhua Mukti Morcha has alleged that several hundreds of workers—all Tamil repatriates from Sri Lanka—working in the Kodai Hills of Anna District of Tamil Nadu are being kept under "inhuman exploitation";

(b) if so, whether Government have inquired into their allegation; and

(c) if so, what are the details thereof and what action has been taken to release these workers from "inhuman exploitation" by Government agencies?

THE MINISTER OF STATE OF THE MINISTRY OF LABOUR (SHRI P. A. SANGMA): (a) Yes, Sir.

(b and (c) The State Government of Tamil Nadu has been requested to inquire into the matter and send a report. Their report is awaited.